

MINUTES
MICHIGAN STATE TRANSPORTATION COMMISSION MEETING
August 23, 2002
Detroit, Michigan

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present: Barton LaBelle, Chairman
 Ted Wahby, Vice Chairman
 Betty Jean Awrey, Commissioner
 Lowell Jackson, Commissioner
 John Garside, Commissioner
 C. Robert Baillod, Commissioner

 Charles Krupka, Commission Advisor
 Jerry Jones, Commission Auditor
 Vickie Plummer, Executive Secretary
 Pat Isom, Assistant Attorney General
 Barb Hayes, Chief Administrative Officer
 Larry Tibbits, Chief Operations Officer
 Philip Kazmierski, Bureau of Urban and Public Transportation
 Wayne Niles, Bureau of Finance and Administration
 Louis Lambert, Bureau of Transportation Planning
 Tom Maki, Office of Strategic Planning & Initiatives
 John Friend, Bureau of Highway Operations
 Terry Anderson, Bureau of Highway Operations

A list of those people who attended the meeting is attached to the official minutes.

Chairman LaBelle called the meeting to order at 9:10 a.m. in the Detroit Courtyard Marriott Conference Center, Detroit, Michigan.

LOCAL PRESENTATIONS

Southeast Michigan Council of Governments (SEMCOG)

Paul Tait, SEMCOG, discussed the need for public transportation in Southeast Michigan and provided information on the implications of regional age forecasting. SEMCOG recently adopted a regional transit plan which incorporated input from the general public and key decision makers. The transit plan incorporates four tiers of service including rapid transit, fixed-route buses, community transit, and regional links. Bus rapid transit vehicles were recommended to implement a 12-corridor system. Fixed-route bus service should be expanded and enhanced for better service. Community transit improvements are needed

within individual communities and in rural areas of the region. It was also recommended that express bus service be implemented on all regional link corridors, including passenger rail service between Ann Arbor and Detroit.

Recommendations also include improved safety on vehicles and at transit stops, enhancing physical accessibility to transit, improving accessibility for people with special needs, and increasing the use of technology to enhance service. Other options include using advanced fare collection to minimize delays at stations or stops, using innovative ways to display system information, and developing pedestrian-friendly stations.

Mr. Tait reported the funding needed to implement the transit improvements outlined above includes, over the next 25 years, \$2 billion for capital costs and an additional \$200 million annually in operating funds. Mr. Tait also provided suggestions for funding options, and discussed the need for a regional transit authority to govern transit in southeast Michigan to coordinate transit service throughout the seven-county area.

Detroit Chamber of Commerce

Sara Hubbard, Senior Director of the State Public Policy Office, Detroit Regional Chamber, provided information on the Detroit Area Regional Transportation Authority (DARTA) which creates the comprehensive plan for bus service in the southeast region of Michigan. Among other issues, funding options and concerns for labor provisions were discussed. Ms. Hubbard also noted that border security issues at the entrances and exits of bridges and tunnels have been a priority in this area.

Metro Region Update

Ernie Savas, Metro Region Engineer, provided an update on issues in the Metro Region including loss of staff due to early-out retirements, and that a new transportation service center and region office are being constructed. Mr. Savas also provided information on extra police patrols in work zones; increased roadside clean-up efforts within the region; aesthetics; information on current road projects including old M-14, I-94, M-10 and US-24; and projected construction projects for the next four years.

Wayne County Road Commission

Cameron Priebe, Director of Public Services for Wayne County, expressed a current need for \$21.4 million annually over the next ten years for capacity improvements, preservation maintenance, new intersections, and grade establishments. Mr. Priebe thanked the Michigan Department of Transportation for working with the county on many of key issues.

Recess

Chairman LaBelle recessed the meeting at 10:24 a.m. and reconvened the meeting at 10:38 a.m.

APPOINTMENTS

Transportation Asset Management Council Members

Charlie Krupka, Commission Advisor, reported that Governor John Engler signed into law a bill creating the Transportation Asset Management Council to advise the State Transportation Commission (STC). The council will consist of ten voting members from the following entities: two members each from the County Road Association of Michigan, the Michigan Municipal League, the State Planning and Development Regions/Metropolitan Planning Organizations, and the Michigan Department of Transportation; and one member each from the Michigan Townships Association and the Michigan Association of Counties.

It was noted that the Michigan Association of Counties is the only agency that did not provide a nomination by the August 12, 2002, deadline.

Lou Lambert, Deputy Director, Bureau of Transportation Planning, provided a brief description of the expectations of the council and noted the first three-year plan is due in May of 2003.

Concern was expressed by Commission members and it was noted that all geographical areas of the state should be represented on the council, criteria for membership should be developed or provided, and background information should be provided for each nominee prior to their appointment to the council. These concerns will be addressed by the Department prior to the next Commission meeting. It was also noted that the Michigan Association of Counties must submit a nomination immediately to be included on the council.

Appointment of council members was tabled until the September 26, 2002, State Transportation Commission Meeting.

COMMISSION BUSINESS

Commission Minutes

It was moved by Commissioner Baillod, with support from Commissioner Awrey, to approve the minutes of July 19, 2002, as submitted. The motion carried on a unanimous voice vote.

2003 Commission Schedule

The proposed 2003 meeting schedule for regular meetings of the State Transportation Commission was distributed for review. Chairman LaBelle asked the Commissioners to review their schedules and notify Mr. Krupka of any conflicts. The schedule will be submitted for adoption at the September 26, 2002, meeting.

OVERSIGHT

Proposed Revisions to the State Rail Policy (Exhibit D)

Phil Kazmierski provided background information on the State Rail Policy and recommended the policy be amended as follows: Allow railroads to be direct recipients of grants and/or loans of up to 50 percent of the rail infrastructure cost for economic development projects. Eliminate the provision that the Department can lend up to 30 percent of total project costs for privately-owned rail facilities. Eliminate the provision that all loans shall be made at an interest rate of not less than two percent below prime. Eliminate the provisions that deal with the divestiture of state-owned rail lines since Public Act 235 of 1998 sets forth the process for the divestiture of the state-owned rail lines.

A copy of the existing State Rail Policy was submitted with proposed changes.

It was moved by Vice Chairman Wahby, with support from Commissioner Garside, to accept the proposed revisions to the State Rail Policy. The motion carried on a unanimous voice vote.

Commission/State Administrative Board Contracts and Agreements (Exhibit A)

Charlie Krupka reported the following changes to Exhibit A. Item Nos. 2, 21, and 22 of Exhibit A have been withdrawn. Approval of Item Nos. 29, 88, 100, and 102 are subject to completion of the internal review process.

It was moved by Vice Chairman Wahby, with support from Commissioner Awrey, to grant approval to the Department to proceed with the contract process with the noted changes. The motion carried on a unanimous voice vote.

The following typographical errors were corrected. On page 9, Item 16, the first line under Estimated Funds should read "Economic Development Bond Funds." On page 23, in the first paragraph of Item 74-84, the total cost of the program should read \$6,576,205; Federal Transit Administration Funds should read \$5,260,964; the State Restricted Comprehensive Transportation Funds should read \$1,315,241; and Item 77 should be changed to read: "2002-0050/Z3 Ionia, City of - Facility Renovation - \$296,960."

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It was moved by Commissioner Garside, with support from Vice Chairman Wahby, to accept the corrections to Exhibit A. The motion carried on a unanimous voice vote.

Bid Letting Pre-Approvals (Exhibit A-1)

It was moved by Commissioner Jackson, with support from Vice Chairman Wahby, to grant approval to the Department to proceed with the contract process. The motion carried on a unanimous voice vote.

Bid Letting Pre-Approvals (Supplemental Exhibit A-1)

An supplemental agenda item was submitted for a security system installation on the Mackinac Bridge.

It was moved by Vice Chairman Wahby, with support from Commissioner Awrey, to grant approval to the Department to proceed with the contract process. The motion carried on a unanimous voice vote.

Letting Exceptions (Exhibit A-2)

Mr. Krupka reported that Item 1 listed under Aeronautics Projects on page 2 of Exhibit A-2 should be changed so that the amount under "LOW BID" reads "\$499,774.17." This changes the percent under the engineer's estimate to "-16.39 percent."

It was moved by Commissioner Garside, with support from Commissioner Awrey, to grant approval to the Department to proceed with the contract process, with the noted changes. The motion carried on a unanimous voice vote.

Information Items (Exhibit A-3)

Mr. Krupka reported that the low bidder on Item 1 under Local Projects on page 2 of Exhibit A-3 is Davis Construction, Inc., and the amount under "LOW BID" should be changed to read "\$118,260.00." This changes the percent over the engineer's estimate to "7.40 percent."

This item was for information only and does not require approval.

Contract Adjustments

There were no contract extras or overruns to report.

State Long-Range Plan (Exhibit C)

An typographical error was noted in the last paragraph on page 7, the word "principal" should be changed to "principle."

After further discussions on the information provided, it was moved by Commissioner Jackson, with support from Vice Chairman Wahby, to approve the public distribution of the State Long-Range Plan. The motion carried on a unanimous voice vote.

Bureau of Finance & Administration, Financial Operations Division, Accounts Payable and Accounts Receivable Year-End Closing Process Audit Report

Vice Chairman Wahby noted that he reviewed the audit report, including the department's response. Vice Chairman Wahby then moved, with support from Commissioner Jackson, to approve the audit report as submitted. The motion carried on a unanimous voice vote.

RESOLUTIONS

Build Michigan II Note Resolution

Wayne Niles, Deputy Director, Bureau of Finance and Administration, explained this resolution authorizes the sale of \$200 million short-term notes and completes the approved Road & Bridge Program Financing Strategy. The Commission was asked to approve the resolution to allow the Department to finalize and sell the notes under specific parameters.

It was moved by Vice Chairman Wahby, with support from Commissioner Garside, to approve the resolution as submitted. The motion carried on a unanimous roll-call vote.

PRESENTATIONS

Director's Report

Barb Hayes, Chief Administrative Officer, updated the Commission on the interest rates for the Comprehensive Transportation Fund and the State Trunkline Fund bonds, noting a savings of \$7.9 million. Ms. Hayes also provided statistics on the early-out retirements.

Legislative Update

Doug Novak, Office of Governmental Affairs, provided information on the following public acts that have been passed. Public Act (PA) 78 allows three axles on a 53-foot trailer on certain designed highways. PA 90 creates an authority to oversee the operations of Detroit Metro Airport and establishes a code of ethics and efficiency in airport operations. PA 118 increases penalties for transportation of hazardous materials without a hazardous materials endorsement. PA 149 increases the number of points added to a driving record for violation of speed limits within construction zones. PA 150 and 151 permits the Department to permit the installation and testing of electronic devices in the right-of-way to monitor and disseminate

traffic data. PA 258 requires criminal background checks on flight school applicants and requires enrollment refusals for those convicted of certain crimes. PA 498 amends Public Act 51 of 1951 by providing a uniform definition of maintenance that is more consistent with Department and industry practices. PA 499 creates the Asset Management Council.

The following House bills have been introduced but have not yet been passed. House Bill (HB) 4454 provides \$6 million each year for the Aeronautics Fund to be used for matching federal and local dollars for airport safety, security, and capital improvements. HB 5467 establishes the Detroit Regional Transportation Authority. HB 5733 through 5736 would increase the diesel fuel tax to make it level with gasoline, and revises the motor carrier fuel tax rate and diesel tax collection procedure. HB 5651 provides for the transportation budget.

Bureau of Urban and Public Transportation (UPTRAN)

Phil Kazmierski, Deputy Director, UPTRAN, provided information on project funding for the comprehensive transportation bonds. Rail freight funding will be provided for track rehabilitation from Channing to Ontonagon and from Pinconning to Grayling, and for Monroe Rail consolidation. Local public transportation funding will provide for the purchase of buses and vans, and for construction or rehabilitation of transportation facilities and terminals. Mr. Kazmierski explained there are seven programs that transit agencies can apply for funding from Washington, which are competitive and discretionary, and need to be negotiated for. Funding for inter-modal terminals will include a new passenger terminal on Fort Street and a new center inter-modal facility in Detroit.

Mr. Kazmierski explained that Congress is in the process of addressing the Amtrak crisis and identifying the role of the federal government in this situation; and, there are a number of bills that have been introduced to re-authorize high-speed rail. Once these two issues have been addressed, federal funds will be requested to match dollars for rail passenger funding for infrastructure improvements.

Funding will also be provided to match federal funding to construct a new marine passenger terminal and dock.

A chart was provided showing statistics of the local bus operating program for the years 1996 through 2002.

ADJOURNMENT

Chairman LaBelle adjourned the meeting at 12:05 p.m.

Commission Advisor